

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 2024

Company name: Howa Machinery, Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 6203 URL <https://www.howa.co.jp/>  
 Representative: President, Managing Director Takahiro Tsukamoto  
 Inquiries: Director Makoto Kitamura TEL 052-408-1001  
 Scheduled date to file Semi-annual Securities Report: November 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	10,713	7.4	638	284.3	750	190.7	547	159.2
Six months ended September 30, 2023	9,971	10.8	166	(32.9)	258	(40.3)	211	(45.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	45.43	–
Six months ended September 30, 2023	17.51	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	32,986	17,680	53.6
As of March 31, 2024	30,289	17,334	57.2

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	20.00	20.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	20.00	20.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,100	21.8	760	95.6	790	69.5	680	–	56.41

#### 4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
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|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| Changes in accounting policies due to other reasons:   | No  |
| Changes in accounting estimates:   | No  |
| Restatement of prior period financial statements:  | No  |

#### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	12,548,134 shares	As of March 31, 2024	12,548,134 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	487,351 shares	As of March 31, 2024	500,678 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	12,054,134 shares	Six months ended September 30, 2023	12,051,779 shares
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# Semi-annual consolidated financial statements

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,897	3,604
Notes and accounts receivable - trade, and contract assets	6,300	7,232
Electronically recorded monetary claims - operating	2,340	1,393
Investments in leases	1,068	1,052
Merchandise and finished goods	1,242	1,500
Work in process	4,196	5,441
Raw materials and supplies	1,420	1,443
Other	567	885
Allowance for doubtful accounts	(0)	(0)
Total current assets	21,033	22,554
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,192	1,702
Other, net	2,001	2,652
Total property, plant and equipment	3,193	4,355
Intangible assets	406	366
Investments and other assets		
Investment securities	5,035	5,050
Retirement benefit asset	245	241
Other	407	452
Allowance for doubtful accounts	(32)	(32)
Total investments and other assets	5,655	5,711
Total non-current assets	9,255	10,432
Total assets	30,289	32,986
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,429	3,085
Electronically recorded obligations - operating	796	919
Short-term borrowings	2,032	2,196
Accounts payable - other	101	567
Accrued expenses	601	557
Income taxes payable	62	156
Accrued consumption taxes	48	21
Contract liabilities	218	375
Provision for bonuses	304	289
Provision for loss on construction contracts	0	—
Provision for product warranties	73	82
Other	65	61
Total current liabilities	6,733	8,314

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Non-current liabilities		
Long-term borrowings	4,066	4,843
Deferred tax liabilities	799	803
Retirement benefit liability	819	811
Asset retirement obligations	93	93
Provision for share awards	–	4
Other	443	434
Total non-current liabilities	6,222	6,992
Total liabilities	12,955	15,306
Net assets		
Shareholders' equity		
Share capital	9,019	9,019
Capital surplus	0	–
Retained earnings	6,231	6,534
Treasury shares	(416)	(400)
Total shareholders' equity	14,835	15,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,341	2,342
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	113	145
Remeasurements of defined benefit plans	42	38
Total accumulated other comprehensive income	2,498	2,527
Total net assets	17,334	17,680
Total liabilities and net assets	30,289	32,986

# Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

## Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	9,971	10,713
Cost of sales	8,188	8,603
Gross profit	1,783	2,110
Selling, general and administrative expenses	1,617	1,472
Operating profit	166	638
Non-operating income		
Interest income	1	2
Dividend income	70	85
Subsidy income	0	—
Foreign exchange gains	50	40
Miscellaneous income	21	32
Total non-operating income	144	160
Non-operating expenses		
Interest expenses	7	14
Maintenance cost for idle assets	10	11
Insurance expenses	8	7
Withholding tax burden loss	13	—
Miscellaneous losses	13	14
Total non-operating expenses	53	48
Ordinary profit	258	750
Extraordinary income		
Gain on sale of non-current assets	3	3
Total extraordinary income	3	3
Extraordinary losses		
Impairment losses	—	95
Loss on sale and retirement of non-current assets	0	0
Total extraordinary losses	0	95
Profit before income taxes	261	658
Income taxes	50	111
Profit	211	547
Profit attributable to owners of parent	211	547

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	211	547
Other comprehensive income		
Valuation difference on available-for-sale securities	680	0
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	9	32
Remeasurements of defined benefit plans, net of tax	(1)	(3)
Total other comprehensive income	690	28
Comprehensive income	901	576
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	901	576